



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

June 2021

January 1 – June 30, 2021

(6 months)

GEORG JENSEN A/S, SDR. FASANVEJ 7, DK-2000 FREDERIKSBERG

COMPANY REG.NO.: 26573645

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MANAGEMENT'S REVIEW

FINANCIAL HIGHLIGHTS	Q2			6 MONTHS		
DKK million, except for number of stores	2021	2020	Change	2021	2020	Change
Revenue	215.7	156.9	37%	407.1	329.1	24%
Revenue of closed stores	0.0	-5.5		0.0	-5.5	
Revenue from continuing operations	215.7	151.4	42%	407.1	323.6	26%
EBITDA	23.6	7.5		43.5	5.6	
EBIT	-7.8	-37.2		-19.9	-75.7	
Profit before tax	-15.9	-54.8		-35.6	-87.4	
Profit for the period	-16.5	-54.9		-36.8	-87.5	
Cash flow from operating activities	18.9	36.1		11.4	11.9	
Total cash flow	-22.2	-29.8		-57.2	-62.8	
Number of stores	99	99		99	99	

MANAGEMENT'S COMMENTARY

- Continued improvement in Georg Jensen performance, marking the fifth consecutive quarter of positive EBITDA and highest Q2 EBITDA of the last 5 years
- Strong revenue growth driven by global opening of retail channels. Revenue grew 37% compared to Q2 2020. Adjusting for the impact of closed stores in 2020 indicates an underlying growth of 42%
- Due to the solid revenue growth, improved gross margin and strict control of OPEX, EBITDA amounts to DKK 24 million in Q2 2021 – more than tripling compared to 2020
- Improved liquidity situation in Q2 2021 vs. Q2 2020 and Net interest-bearing debt adjusted for IFRS16 impact improved by DKK 41 million

The overall operating environment in Q2 2021 was more stable than in Q2 2020, despite continued volatility in key APAC markets which continued to be impacted by local COVID-19 restrictions forcing retail closures. In markets where restrictions have been phased out, retail activities were still below pre-COVID-19 levels. The re-opening of European markets at the end of Q1 had a positive impact in retail and B2B channels in both Q1 and Q2. We will continue to see channel shifts between Retail, Wholesale and E-commerce as restrictions are imposed or eased.

Total revenue increased by 37% in Q2 2021 compared to Q2 2020 and was driven by Europe and the APAC region delivering an index 135 and index 143 respectively vs. same period last year. North America represents the highest growth for Q2 and growing 57%.

Home category increased by 46% in Q2 2021 compared to Q2 2020 and Jewellery increased by 43% compared to same period last year.

Gross margin expanded from 57.0% in 2020 to 61.5% in Q2 2021. Gross margin is favorably impacted by improved channel mix and equally important margin expansion within key sales channels.

Operating costs increased partly driven by lack of governmental support programs in 2021 and partly driven by variable rent and selected investments to support current and future growth. Ongoing cost adjustments and efficiency measures continue to be implemented to improve and protect the results of the company.

EBITDA increased in Q2 from DKK 7.5 million in Q2 2020 to DKK 23.6 million in Q2 2021, mainly driven by increased revenue and an increase in gross profit margin of 4.5 percentage points.

Net cash flow from operating activities was DKK 18.9 million for Q2 mainly due to the stable working capital despite normal seasonal stock build-up of DKK 19 million.

Net interest-bearing debt decreased from DKK 512.4 million in Q2 2020 to DKK 439.2 million in Q2 2021 mainly driven by a decrease in lease liabilities and an increase in cash and cash equivalents.

New product launches

In Q2 2021 the following products were launched:

Jewellery: In April we introduced a line extension of the Daisy collection and in June a Heart pendant focusing on the gifting season around graduation and confirmation were launched

Home: In April the new category Dinnerware (porcelain and glasses) were launched globally (pre-launched in US and Australia in March).

OUTLOOK

Outlook for 2021

Management expects that COVID-19 will continue to have an impact on the business and how consumers interact with and shop the brand. National and localized retail restrictions are expected to continue and create uncertainty throughout 2021. Store traffic in key urban stores is expected to remain below 2019 levels throughout the year but E-business growth is expected to continue. Despite these challenges, Georg Jensen expects to be able to recover revenue and deliver growth compared to 2020. Combined with a constant focus on margin improvement, cost containment and selective investment, Georg Jensen expects to make good progress to profitability in 2021.

MANAGEMENT STATEMENT

The Board of Directors and Executive Management have reviewed and approved the consolidated interim financial report of Georg Jensen A/S for the period January to June 2021. The consolidated interim financial report has not been audited or reviewed by the company's independent auditors.

The consolidated interim financial report for the period January to June 2021 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies adopted in the preparation are consistent with those applied in the Annual Report 2020 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report for January to June 2021 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 31th of August 2021

Executive Board

Mehul Tank
CEO

Board of Directors

Andrea Jayne Davis
Chairman

David Ching Chi Chu

Robert W. Bostock

Celine Infeld

Duncan Zheng

Karl Sebastian Inger

Annick E. M. Desmecht

Inge Andersen

Ida Heiberg Bøttiger

DISCLAIMER

This company announcement contains forward looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ from what is forecasted in this report due to a variety of factors.

CONSOLIDATED INCOME AND COMPREHENSIVE INCOME STATEMENT

INCOME STATEMENT	Q2		H1 (YTD)	
DKK million	2021	2020	2021	2020
Revenue	215.7	156.9	407.1	329.1
Cost of sales	-83.0	-67.4	-153.6	-132.5
Gross profit	132.7	89.5	253.5	196.6
Other external costs	-43.3	-33.8	-82.7	-78.6
Staff costs	-66.0	-57.8	-132.2	-121.7
Other operating income and costs	0.3	9.5	4.9	9.3
Operating profit before depreciation and amortization	23.6	7.5	43.5	5.6
Depreciation, amortization and impairment losses	-31.4	-44.7	-63.5	-81.3
Operating profit	-7.8	-37.2	-19.9	-75.7
Financial items, net	-8.1	-17.6	-15.7	-11.7
Profit before tax	-15.9	-54.8	-35.6	-87.4
Tax on profit for the year	-0.6	-0.1	-1.2	-0.1
Profit for the year	-16.5	-54.9	-36.8	-87.5
OTHER COMPREHENSIVE INCOME				
	Q2		H1 (YTD)	
	2021	2020	2021	2020
Profit for the year	-16.5	-54.9	-36.8	-87.5
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit pension plans	0.0	0.0	0.0	0.0
<i>Items that will be reclassified to profit or loss</i>				
Adjustment Cash flow hedges	0.0	0.0	0.0	0.0
Exchange differences on foreign operations	-4.8	12.1	-9.8	-7.4
Other comprehensive income after tax	-4.8	12.1	-9.8	-7.4
Total comprehensive income for the year	-21.3	-42.8	-46.6	-94.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	30/06 2021	30/06 2020	31/12 2020
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	41.8	52.8	56.0
Tangible assets	297.1	353.5	321.4
Financial Assets	43.0	44.0	42.7
Total non-current assets	381.9	450.3	420.1
CURRENT ASSETS			
Inventories	326.0	315.0	268.8
Trade receivables	74.3	65.7	115.5
Other receivables	3.9	8.6	3.5
Receivable from group enterprises	15.8	20.8	15.4
Prepayments	2.1	22.4	19.0
Cash and cash equivalents	91.2	54.4	148.4
Total current assets	513.3	486.9	570.6
TOTAL ASSETS	895.2	937.2	990.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	30/06 2021	30/06 2020	31/12 2020
EQUITY AND LIABILITIES			
EQUITY			
Share capital	139.6	139.6	139.6
Share premium	488.3	488.3	488.3
Hedging reserve	1.2	1.1	1.2
Translation reserve	-6.5	11.1	3.3
Retained earnings	-497.7	-503.6	-460.9
Total equity	124.9	136.5	171.5
LIABILITIES			
NON-CURRENT LIABILITIES			
Bond	298.0	298.0	298.0
Credit institutions	0.0	1.4	0.0
Lease liabilities	168.9	194.4	201.1
Provisions	14.5	13.3	14.4
Deferred tax	2.3	1.9	3.3
Retirement benefit obligation	8.2	8.2	8.3
Other Payables	9.7	8.7	9.8
Total non-current liabilities	501.6	525.9	534.9
CURRENT LIABILITIES			
Credit institutions	2.7	5.6	5.7
Trade Payables	93.0	83.8	77.7
Other Payables	92.7	91.1	121.2
Payable to group enterprises	0.0	6.0	0.0
Lease liabilities	76.6	83.5	75.4
Tax payables	0.7	1.8	1.3
Provisions	3.0	3.0	3.0
Total current liabilities	268.7	274.8	284.3
Total liabilities	770.3	800.7	819.2
TOTAL EQUITY AND LIABILITIES	895.2	937.2	990.7

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q2		H1 (YTD)	
DKK million	2021	2020	2021	2020
Net profit for the period	-16.5	-54.9	-36.8	-87.5
Non-cash items	43.2	64.9	85.1	91.6
Change in working capital	0.0	31.1	-20.8	18.2
Cash flows from operating activities before financial income and expenses	26.7	41.1	27.5	22.3
Financial cost, paid	-7.8	-5.0	-16.1	-10.4
Cash flows from ordinary activities	18.9	36.1	11.4	11.9
Income taxes paid	0.0	0.0	0.0	0.0
Net cash flow from operating activities	18.9	36.1	11.4	11.9
Purchase of tangible and intangible assets	-11.4	-7.7	-15.2	-17.1
Change in other financial assets	0.2	-0.2	-0.1	-4.6
Net cash flow from investing activities	-11.2	-7.9	-15.3	-21.7
Changes in credit institutions	-3.6	-32.5	-3.0	-0.5
Repayment of loans from credit institutions	0.0	-0.7	0.0	-0.7
Repayment of lease liabilities	-26.4	-24.8	-50.3	-49.8
Upstream to Group companies	0.0	0.0	0.0	-2.0
Cash flow from financing activities	-30.0	-58.0	-53.3	-53.0
Net cash flow for the period	-22.3	-29.8	-57.2	-62.8
Cash and cash equivalents, beginning of the period	113.5	84.2	148.4	117.2
Cash and cash equivalents, end of the period	91.2	54.4	91.2	54.4

STATEMENT OF CHANGES IN EQUITY

30 June 2021

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139.6	488.3	1.2	3.3	-460.9	171.5
Profit for the period	0.0	0.0	0.0	0.0	-36.8	-36.8
<i>Other comprehensive income</i>						
Adjustment cash flow hedges	0.0	0.0	0.0	0.0	0.0	0.0
Exchange adjustment	0.0	0.0	0.0	-9.8	0.0	-9.8
Total other comprehensive income	0.0	0.0	0.0	-9.8	0.0	-9.8
Balance at the end of the period	139.6	488.3	1.2	-6.5	-497.7	124.9

30 June 2020

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139.6	488.3	1.1	18.5	-416.1	231.4
Profit for the period	0.0	0.0	0.0	0.0	-87.5	-87.5
<i>Other comprehensive income</i>						
Remeasurement of defined Benefit pension plans	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment cash flow hedges	0.0	0.0	0.0	0.0	0.0	0.0
Exchange adjustment	0.0	0.0	0.0	-7.4	0.0	-7.4
Total other comprehensive income	0.0	0.0	0.0	-7.4	0.0	-7.4
Balance at the end of the period	139.6	488.3	1.1	11.1	-503.6	136.5

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies and significant accounting estimates adopted in the preparation are consistent with those applied in the Annual Report 2020 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report including the consolidated financial statements for the period January to June of 2021 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

2 SEGMENT INFORMATION

Q2 2021					
DKK million	Europe	APAC	North America	Other	Total
Revenue	110.2	91.5	12.9	1.1	215.7
Gross Profit	39.1	55.0	4.7	33.9	132.7
OPEX	-17.3	-39.3	-3.6	-48.9	-109.1
EBITDA	21.8	15.7	1.1	-15.0	23.6
Amortizations & depreciations					-31.4
EBIT					-7.8
Financial items, net					-8.1
Profit before tax					-15.9

H1 2021 (YTD)					
DKK million	Europe	APAC	North America	Other	Total
Revenue	202.7	179.7	23.9	0.8	407.1
Gross Profit	71.0	108.6	8.5	65.4	253.5
OPEX	-29.3	-78.6	-6.7	-95.4	-210.0
EBITDA	41.7	30.0	1.8	-30.0	43.5
Amortizations & depreciations					-63.5
EBIT					-19.9
Financial items, net					-15.7
Profit before tax					-35.6

Q2 2020

DKK million	Europe	APAC	North America	Other	Total
Revenue	81.9	64.2	8.2	2.7	156.9
Gross Profit	25.6	36.6	3.1	24.2	89.5
OPEX	-11.6	-26.2	-2.9	-41.3	-82.0
EBITDA	14.0	10.4	0.2	-17.1	7.5
Amortizations & depreciations					-44.7
EBIT					-37.2
Financial items, net					-17.6
Profit before tax					-54.8

H1 2020 (YTD)June 2020

DKK million	Europe	APAC	North America	Other	Total
Revenue	171.0	134.7	19.1	4.3	329.1
Gross Profit	53.4	77.1	7.6	58.5	196.6
OPEX	-35.3	-64.2	-8.1	-83.4	-191.0
EBITDA	18.1	12.9	-0.5	-24.9	5.6
Amortizations & depreciations					-81.3
EBIT					-75.7
Financial items, net					-11.7
Profit before tax					-87.4

3 REVENUE

PRIMARY SALES CHANNELS	Q2 2021	H1 2021 (YTD)June 2021
B2B	86.2	162.0
B2C	123.5	234.7
Other	6.0	10.4
Total	215.7	407.1

PRIMARY SALES CHANNELS	Q2 2020	H1 2020 (YTD)June 2020
B2B	59.1	127.0
B2C	93.7	195.2
Other	4.1	6.9
Total	156.9	329.1

PRIMARY PRODUCT LINES	Q2 2021	H1 2021 (YTD)	June 2021
Jewellery	109.0		210.7
Home	90.1		167.2
Other	16.6		29.2
Total	215.7		407.1

PRIMARY PRODUCT LINES	Q2 2020	H1 2020 (YTD)	June 2020
Jewellery	76.3		169.7
Home	61.7		122.6
Other	18.9		36.8
Total	156.9		329.1

4 OTHER OPERATING INCOME AND COSTS

Globally, Georg Jensen has received government support of DKK 0.2 million in Q2 2021 and 4.9 million for the period January to June 2021. The government support relates to staff costs and other external costs.

5 NET INTEREST-BEARING DEBT

DKK million	30/06 2021	30/06 2020	31/12 2020
Net interest-bearing debt comprises:			
Credit institutions (current)	2.7	5.7	5.7
Payable to group enterprises	0.0	6.0	0.0
Lease liabilities	245.5	277.9	276.5
Issued bond	298.0	298.0	298.0
Gross interest-bearing debt	546.2	587.6	580.2
Receivable from group enterprises	-15.8	-20.8	-15.4
Cash and cash equivalents	-91.2	-54.4	-148.4
Gross interest-bearing receivables	-107.0	-75.2	-163.8
Net interest-bearing debt	439.2	512.4	416.4

6 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, no other events that could significantly affect the consolidated interim financial statements as of 30 June 2021 have occurred.